



राजपत्र, हिमाचल प्रदेश (असाधारण)

हिमाचल प्रदेश राज्यशासन द्वारा प्रकाशित

शिमला, सोमवार, १ अप्रैल, १९९१/११ चैत्र, १९१३

हिमाचल प्रदेश सरकार

INDUSTRIES DEPARTMENT

NOTIFICATION

Shimla-2, the 27th March, 1991

No. 9-4/73-SI (Rules)-IV.—In supersession of this department Notification No. 9-4/73-SI (Rules-I, dated 4-10-76/Rules 9-4/73-SI-IV, dated 14 May, 1980, No. 10-27/71-SI, dated 28th August, 1984 and No. 9-4/73-V, dated 5th January 1985, the Governor, Himachal Pradesh is pleased to make the Rules as per Annexure enclosed for the grant of revised incentives to the industrial units in Himachal Pradesh.

By order,
Sd/-

Commissioner-cum-Secretary.

REVISED RULES REGARDING GRANT OF INCENTIVES TO INDUSTRIAL UNITS IN HIMACHAL PRADESH, 1991

1. *Short title and Commencement :*

1.1 These Rules shall be called Revised Rules regarding Grant of incentives to Industrial Units, in Himachal Pradesh, 1991 and shall come into force w.e.f. 1-4-91 (hereinafter referred to as appointed day).

1.2 Eligibility:

- (a) New industrial units and new small scale service establishments as defined in these rules shall be eligible for grant of incentives as provided for respectively under these rules. Existing units will be eligible for grant of all new incentives under these rules subject to the proviso that they shall continue to be governed by 'REVISED RULES REGARDING GRANT OF INCENTIVES TO NEW AND ALREADY ESTABLISHED INDUSTRIAL UNITS IN HIMACHAL PRADESH, 1984' in respect of all incentives covered under those rules.
- (b) As the incentives under these rules are provided, under the discretionary powers of the State Government, hence they do not create any claim against Himachal Pradesh Government enforceable in any Court of Law:

2. *Definitions:*

2.1 Under these rules unless the context otherwise requires:—

- (a) "Central Sales Tax" means the tax leviable under the Central Sales Tax Act, 1956.
- (b) "Effective Steps" means such steps as listed in clause 5.4.1 of these rules.
- (c) "Electricity duty" means the electricity duty levied on power by the Himachal Pradesh State Electricity Board/Himachal Pradesh State Government from time to time.
- (d) "Existing units" mean those industrial units which have been set up and commenced production before the appointed day.
- (e) "Expansion/diversification" shall mean a minimum of 25 per cent of additional Fixed Capital Investment by a unit over its existing fixed capital investment for the production of any additional items or increase in production of existing production by at least 25% of the installed/licenced capacity.
- (f) "Export Oriented Unit" means an industrial unit set up for the purpose of exporting its product and as defined in the Import/Export Policy of Government of India, from time to time, and duly approved/registered as such by the competent authority.
- (g) "Feasibility Report" means a report on the economic and technical feasibility of Industrial project proposed by a consultant or Agency approved by the Director of Industries, Himachal Pradesh/Government.
- (h) "Financial Institution" means all Scheduled banks, Himachal Pradesh Financial Corporation, Himachal Pradesh State Industrial Development Corporation, I.F.C.I., I.C.I.C.I., NABARD or any other institutions declared Financial Institution by the Government of India under the relevant statute.
- (i) "Fixed Capital Investment" (FCI) means actual investment made on land, building, machinery and plant, by an industrial unit or additional Fixed Capital Investment made by a unit undergoing expansion, modernisation, diversification.
- (j) "General Sales Tax" means tax leviable by the Government under the Himachal Pradesh General Sales Tax Act, 1968.

- (k) "Generating Set" means a moveable captive power plant installed by the industrial unit.
- (l) "Government" means Government of Himachal Pradesh.
- (m) "Government Land" means such land as defined under the Himachal Pradesh Land Reforms and Tenancy Act, 1972, as amended from time to time.
- (n) "Industrial Area" means an area acquired by the Government for the establishment of Industrial unit including any developed plots of land. Developed plot for this purpose would mean provision of approach road, water supply, sewerage and power upto the plot but, excludes site development.
- (o) "Industrial Estate" means an area comprising sheds constructed by the Government for allotment to entrepreneurs for setting up of Industrial units.
- (p) "Industrial Shed" means a built up structure located in an Industrial Estate/Industrial Area.
- (q) "New Industrial Unit" means an Industrial unit located within the State of Himachal Pradesh which commences production on or after the appointed day and will include any existing unit which is eligible to get fresh registration as per the guidelines provided by Development Commissioner, Small Scale Industries, Government of India, from time to time, but will not include any industrial unit, small, medium or large, which is formed as a result of re-establishment, mere change of ownership, change in the constitution, reconstruction or revival of an existing unit.
- (r) "Non Resident Indian" (NRI) means individual of Indian nationality or origin, and their overseas corporate bodies (in which at least 60 per cent of the ownership directly or indirectly is with non-residents of Indian nationality/origin) as defined under section 2 (g) of Foreign Exchange Regulation Act, 1978 and so declared or as may be defined by Government of India from time to time.
- (s) Tiny, small, auxiliary, medium or large industrial unit shall have the same meaning as defined by the Government of India from time to time.
- (t) "Private Limited Company" means private company as defined in Companies Act, 1956.
- (u) "Public Limited Company" means Public Company as defined in Companies Act, 1956.
- (v) "Small scale service establishment", means such small establishment, as defined by Government of India from time to time.
- (w) "Sick Industrial units" will means an industrial unit, as defined under RBI/IDBI guidelines from time to time.

3. *Subsidy Towards the Cost of Preparation of Feasibility Reports:*

3.1 Subsidy will be admissible to industrial units as under:—

- (a) In case of Small Scale Industry where feasibility report is to be prepared by entrepreneurs 75 % of the cost subject to a maximum of Rs. 15,000/- in each case.
- (b) In case of medium and large scale industries, 75 % of the cost of preparation of feasibility report or 1 % of the capital cost of the project in land, building, plant and machinery, subject to maximum of Rs. one lakh whichever is less.

3.2 Provided that the subsidy will be admissible subject to the following conditions:—

- (a) The applicant will apply on the prescribed application form while taking effective steps for setting up of unit.

(b) The feasibility report shall be prepared by a technical consultant approved by the Director of Industries in case of Small Scale Industries and by a committee appointed by the State Government in case of Medium and Large Scale Industry. The said committee shall comprise of the Secretary (Inds.), Chairman, Director of Industries (Member-Secretary) Managing Director, Himachal Pradesh Industrial Development Corporation and Managing Director, Himachal Pradesh Financial Corporation. The Chairman may invite any technical expert. Director of Industries or the said committee as the case may be shall decide/screen and approve the feasibility report and determine the quantum of subsidy for sanction. Director of Industries shall disburse the amount of the subsidy sanctioned on the request made by the applicant, on the prescribed application form, but such disbursement shall be effected only after commencement of commercial production by the unit.

4. Industrial Areas :

4.1 Industrial areas already set up or to be set up by the Government or Government Corporation will be categorised as A B and C grade industrial areas, located in various development blocks taking into account the following parameters:—

- (a) Distance from the border of adjoining states of Punjab, Haryana and U.P. (except with Shimla district).
- (b) Extent of industrial development/industrial backwardness existing in that block.
- (c) Extent of overall backwardness of the block.
- (d) Extent of potential for employment generation for local people.

4.2 Based on the above criteria, the existing development blocks in the State have been categorised as "A", "B" and "C" category Industrial blocks, as shown in Annexure-I.

5. Allotment of land in Industrial Area :

5.1 The entire area of the state has been classified as "A", "B" and "C" as per Annexure-I. The land in industrial areas would be allotted for the establishment of industrial units in the State. The land in industrial areas shall be allotted on lease hold basis for a period of 95 years subject to a maximum area of 5000 sq. meters. 10% of the premium of land on lease as determined shall be payable at the time of allotment of land and balance 90% in 10 equal annual instalments.

5.1.1 The interest chargeable on deferred payment would be as fixed by the Government or Corporation from time to time. However, if any party intends to pay entire payment in lumpsum it may be accepted by commuting the instalment but the terms and conditions of the grant will remain the same.

5.2 Premium on lease hold land.—The premium on lease hold land would be determined as under:—

- (a) *A Grade Industrial Areas.*—The premium shall be determined at the rate of Rs. 20 per sq. mtr. or the rate to be fixed by the Department from time to time.
- (b) *B Grade Industrial Areas.*—In these areas land will be allotted Rs. 40 per sq. mt., or the rate to be fixed by the department shall carry no rate of interest, but for defaulted instalments the rate of 8% per annum or as may be fixed by the Government from time to time will be charged.

- (c) *C Grade Industrial Area.*—The Land would be leased out on no profit no loss basis. The basis of calculating of no profit no loss would be :

5.2 (a) Cost of acquisition of land :

- (b) *Cost of development.*—Cost of development means actual or anticipated expenditure on the provision of approach road, water supply, sewerage and power upto the plot but excludes site development.
- (c) Thus the total cost as arrived at in the manner stated above would be distributed to the pro-rata plot area premium per square meter. The premium of land communicated to the party and incorporated in the lease agreement shall remain the same during the pendency of that lease agreement. The instalment of premium in "C" grade areas shall carry no interest but for defaulted instalments at the rate of 10% per annum or as may be fixed by the Government from time to time will be charged.

5.3 Application for Plots:

- 5.3.1 The application for allotment of plots shall be made to the Director of Industries/General Manager, District Industries Centre as the case may be on prescribed form. The applicant shall have to furnish application fee at the rate of Rs. 1000/- Rs. 1500/- and Rs. 2000/- in "A", "B" and "C" category of Industrial areas respectively. The plot will be provisionally allotted for a period of one year, and possession handed over to the applicant. The allottee will take the following effective steps, before a regular lease deed is entered into between the Department & the allottee.

5.4 Effective Steps:

5.4.1 Effective steps would mean:

- (a) Having obtained all necessary approvals/registration of the State Government and Central Government as applicable to the project, for which, the allotment has been considered.
- (b) Having obtained sanction of the loan for the approved project from the Financial Institution with a photo copy of a sanction letter.

- 5.4.2 In case the party fails to abide by any terms and conditions of the aforesaid lease agreement or those terms and conditions specifically incorporated by the department at the time of allotment, the same shall be cancelled. The plot will in such case stand automatically resumed in favour of Industries Department and no appeal shall be entertained in this behalf.

6. Setting up of Industrial Area for Cluster of Entrepreneurs :

- 6.1 Where 10 or more small scale prospective entrepreneurs approach the Government for undertaking an Industrial Group development Scheme the Government may set up an Industrial area/estate exclusively for them at suitable places, taking into account, their specific requirements and needs, in an expeditious and timebound manner.

7. Allotment of sheds in Industrial Estates:

- 7.1 Industrial sheds will also be made available to entrepreneurs in areas/estates set up in areas notified in Annexure-I category blocks on rental basis. The rentals in category "C" will be charged at 100% of the assessed rent. The rental in category "B" will be charged at 40% of the assessed rent for the shed. The rent in category "A" shall be charged at 20% of the assessed rents fixed for the shed. 3 months rent will be charged in advance, at the time of allotment. Application fee of Rs. 1000/-, Rs. 1500/- and Rs. 2000/- in "A" "B" and "C" category

Industrial estates/areas respectively will be charged, which will be non refundable, and non adjustable. Other terms of condition of allotment will be fixed by the Department from time to time.

7.2 The entrepreneurs can also be given an option to opt for hire purchase of these sheds on terms and conditions to be fixed by the department from time to time.

8. Acquisition of Land for Setting up of Industries :

8.1 In order to facilitate the setting up of Industrial units in the small scale, medium and large sector, the department may also acquire land for an Industrial unit, as defined in the Land Acquisition Act, 1894, for the purpose detailed in the said Act. The acquisition will be on such terms and conditions as the Department may decide. The entire cost of acquisition will have to be borne by the concerned unit.

9. Purchase of Private Land for Industrial use :

9.1 The State Government will ensure that in deserving cases, where the Department of Industries is satisfied that private land is required for setting up of industries, the procedure as outlined in the Himachal Pradesh Land Reforms & Tenancy Act, 1972, as amended from time to time, shall be strictly followed. The department shall endeavour to obtain necessary approvals/clearances in a time bound manner as follows:—

- (1) Follow up to ensure forwarding of application from the Collector to the Tehsildar or the Naib-Tehsildar, as the case may be, within a period of 7 days.
- (2) Follow up to ensure that the Tehsildar returns the application duly verified and complete in all respects to the Collector within a period of 20 days.
- (3) Follow up to ensure that the Collector send the application/case with his recommendations to the Divisional Commissioner, within a period of 10 days.
- (4) Follow up to ensure that the Divisional Commissioner forwards the case to the Government within a period of 10 days with his recommendations.

10. Power Concessions :

10.1 Enhancement of power tariff in industries located in the A, B and C category industrial blocks will be regulated as follows for the new industrial units. The amounts paid as a result of any increase in industrial power tariff will be reimbursed through the Department of Industries as per the norms given in the following table :

Category of Industrial block	A	B	C
Power load	(Period w.e.f. appointed day)		
Industrial units with connected load upto 20 KW	5 years	4 years	3 years
"21 KW upto 100 KW	4 years	3 years	2 years
"101 KW upto 500 KW	3 years	2 years	1 year
Above 500 KW	2 year	1 year	-nil-

10.2 No electricity duty will be charged from all categories of industrial units, (new industrial units and existing units), on the power generated from their captive power generation sets/hydel plants from the appointed day.

11 Sales Tax Incentives :

11.1 Sales tax Deferment scheme.

(a) Eligibility :

Except for industries as notified in Annexure-II or as notified by the State Government from time to time, the following sales tax incentives shall be admissible to a new industrial unit which is register as a dealer under the Himachal Pradesh State General Sales Tax Act, 1958/Central Sales Tax Act, 1956, and comply with its provisions. However, these shall be available only on the sales of the goods manufactured by the units.

(b) Quantum of entitlement:

- (i) Sales tax deferment shall be available to the units located in the State, as shown in the following table subject to the conditions specified thereafter :

TABLE—I

Category of Industrial Blocks	Small Scale Industry	Medium & Large Scale Industry	Total time within which concession shall be available
1	2	3	4
"A"	400 per cent of Fixed Capital Investment.	200 per cent of Fixed Capital Investment with a maximum of Rs. 7 crores.	9 years
"B"	200 per cent of Fixed Capital Investment.	125 per cent of Fixed Capital Investment with a maximum of Rs. 5 crores.	7 years
"C"	125 per cent of Fixed Capital Investment.	100 per cent of Fixed Capital Investment with a maximum of Rs. 4 crores.	6 years

- 11.2 Under the sales tax deferment scheme, a unit will collect sales tax at normal rates against sales effected during the period of entitlement of concession as specified in Table-I above and shall be required to deposit the same with the Sales Tax authorities in the following manner :—

Stage of repayment		Amount and year of repayment	
Ending Year I	From the date of production.	Nil (no repayment).	
Ending Year II	-do-	Nil	-do-
Ending Year III	-do-	Nil	-do-
Ending Year IV	-do-	Repayment Amount Collected during Year I.	
Ending Year V	-do-	Repayment Amount Collected during Year II.	
Ending Year VI	-do-	Repayment Amount Collected during Year III.	
Ending Year VII	-do-	Repayment Amount Collected during Year IV.	
Ending Year VIII	-do-	Repayment Amount Collected during Year V.	

<i>Stage of repayment</i>		<i>Amount and year of repayment</i>
Ending Year IX	From the date of production	Repayment Amount Collected during Year VI.
Ending Year X	-do-	Repayment Amount Collected during Year VII.
Ending Year XI	-do-	Repayment Amount Collected during Year VIII.
Ending Year XII	-do-	Repayment Amount Collected during Year IX.

11.3 (a) For the purpose of arriving at the limit of tax deferment as provided in these rules the aggregate of the following shall be considered:—

- (i) Aggregate amount of tax including surcharge on sales which would have been leviable under the provisions of the Himachal Pradesh General Sales Tax Act, 1968; and
 - (ii) Aggregate amount of tax on inter-state sales including surcharge, if leviable, on the inter-state sales which would have been leviable under the provisions of the Central Sales Tax Act, 1956.
- (b) When the limit of tax deferment as prescribed in the rules is exhausted, all sales thereafter shall be subject to tax under the relevant Act.
- (c) The unit which is availing incentives under these rules shall be required to file a certificate of genuineness with the Assessing Authority by the 30th of June every year from the Department of Industries failing which the unit will lose its right to claim Sales Tax incentive under these rules, and shall be assessed as full rate of tax.
- (d) Incentives shall be available when the goods manufactured are sold by the manufacturers themselves or by other dealers registered under the Himachal Pradesh, General Sales Tax Act, 1968, subject to furnishing of a declaration to the Assessing Authority on a prescribed form to be notified by the Excise and Taxation Department, by the dealer selling manufactured goods, duly filled in and signed by the manufacturer to the effect that the manufacturer is entitled to the Sales Tax incentives granted under these rules and that the goods have been manufactured by the manufacturer himself.

11.4 Industrial units manufacturing items listed in Annexure-IV will be charged at the rate of 1% CST initially for a period of one year from the appointed day provided that they do not transfer goods outside the State of Himachal Pradesh either on consignment basis or on branch transfer basis. The items listed in Annexure-IV and the Sales Tax rate may be altered/varied/added or deleted by a Government committee comprising of department of Excise & Taxation, Finance and Industry.

12. Subsidy on Rate of Interest :

12.1 Tiny units availing term loan from State Financial Institutions/Scheduled Banks at the rate which will be 3% below the term lending rate. The subsidy shall not be admissible on wilfully defaulted instalments.

12.2 The difference between actual rate of interest on term loans chargeable by the Financial Institutions and the rate payable in the manner stated above, shall be re-imbursed to the State Financial Institutions/Scheduled Banks by Director of Industries/General Manager, District Industries Centre as the case may be.

13. Subsidy on Generating sets:

13.1 Investment subsidy for installation of captive D.G. sets would be provided to the industrial units @ 15% of the cost of generating set subject to a maximum of Rs. 1.00 lakhs for each unit, where the unit in question has already exhausted the limit of admissible State/Central Investment Subsidy.

14. Manpower Development :

- 14.1** Subsidy on manpower development will be given to the industrial units, which have already gone into production and sends their workers (who are from identified Antyodaya & I.R.D.P. families) outside the state for technical training for upgradation of their skills to a Government recognised institution or registered/licensed unit. This subsidy will be given provided that the unit gives an undertaking to the effect that all such trained workers will continue to be employed by them after their training for a period of at least 3 years. 50% of the actual cost of training, with upper ceiling limit of Rs. 5000/- per trainee will be reimbursed subject to a maximum of Rs. 25000/- per unit, for the period of training.

15. Price Preference to Government/Semi-Government Organisations :

- 15.1** The products of SSI units manufactured in Himachal Pradesh shall be entitled to the price preference of upto 15 per cent in respect of purchases effected by Government departments, & semi-government organisations.
- 15.2** A similar price preference upto 3 per cent shall be available to the products of medium scale units, manufactured in Himachal Pradesh.

16. Incentives to Special Categories of Entrepreneurs for Setting up Tiny and S.S.I. Unit:

- 16.1** Special categories viz. scheduled castes, scheduled tribes, women, ex-servicemen, physically handicapped, antyodaya and I.R.D.P. family entrepreneurs setting up new units will be entitled to the following additional incentives/facilities which will be over and above the incentives/facilities admissible elsewhere in these rules, unless so specified.
- (a) Subsidy for Capital Investment : 10% special investment subsidy on fixed assets shall be allowed to such entrepreneurs out of state funds, over and above the Central/State investment subsidy, as may be admissible to general category entrepreneurs, for establishment of tiny units.
 - (b) Margin money will be provided @ 1% on matching basis upto a maximum extent of 10% of project cost or Rs. 50,000/- whichever is less, to such entrepreneurs.
 - (c) The rate of interest on term loans will be charged @ 3% below the term lending rate for private sector. The difference between the actual rate of interest chargeable by the term lending institutions (after the availing of refinance from NABARD/SIDBI/IDBI or any other Financial Institutions) will be reimbursed by the State Government directly to the Financial institution for such entrepreneurs.
 - (d) 90% subsidy shall be given on the preparation of feasibility reports subject to a maximum of Rs. 25,000 in each case to such entrepreneurs.
 - (e) 100% subsidy shall be provided for the carriage and installations of machinery to such entrepreneurs.
 - (f) Allotment of industrial sheds will be made to such entrepreneurs at a concessional rate which will be 25%, 50% and 75% of the assessed rent in category "A", "B" & "C" blocks respectively.
 - (g) Allotment of plots in industrial areas in category "C" industrial blocks will be made at a subsidised rate of 75% of the assessed premium which will be chargeable to such entrepreneurs. Plots will be allotted to such entrepreneurs in "B" and "A" grade Industrial Areas @ Rs. 30 and Rs. 15 per sq. meter respectively.

17. Incentives to non-resident Indians (NRI) :

- 17.1** The NRI setting up new units in the State shall be entitled to the following facilities in addition to the incentives for the new industrial units as provided in these rules.
- (a) Out of turn allotment of land in the Industrial areas being promoted by the Department of Industries or any Corporation of the State Government.

- (b) All new NRI projects will be entitled to the sales tax incentives as applicable to SSI units given under rule 11.1 (b).
- (c) NRI projects will be given expeditious approval/clearance by the Department in case of medium and large scale projects within the over all policy of the Government.
- (d) Managing Director, Himachal Pradesh Financial Corporation/Himachal Pradesh State Industrial Development Corporation will expedite approval of NRIs loan cases subject to the prescribed norms.

Note.—NRI promoter(s) must have the majority ownership of the company/unit.

18. Priority industries :

18.1 New industrial units falling under Priority industries given in Annexure-II shall be eligible for the following incentives package :—

- (a) Priority industries shall be entitled to out of turn allotment of plots/shed in industrial areas/estates. Specified priority industries to be located as per Annexure-V, shall be charged a concessional rate of land in Industrial area/estates, equivalent to that applicable for Industrial area/estates falling under category "A" blocks.
- (b) Such industrial units located in any category of industrial block shall be exempted from the payment of GST/CST for a period of 10 years from the date of commencement of commercial production of such units.
- (c) Central Investment Subsidy shall be admissible to such industrial units as notified by Government of India from time to time including units falling under the category of Priority industries. However such industrial units falling under the category of Priority industries not covered by the Central Investment Subsidy Scheme shall be entitled to State investment subsidy subject to the following :
 - (i) The total capital cost of eligible units shall not exceed Rs. 5 lakhs.
 - (ii) Units established in category 'A' and 'B' blocks shall be entitled to a subsidy of 15% and 10% of the project cost subject to a maximum ceiling of Rs. 75,000/- and Rs. 50,000/- respectively.

Note.—Sanction and disbursement of investment subsidy shall be governed by the provisions of Central Investment Subsidy Manual.

- (d) Such industries, will be charged a rate of interest, which is one per cent lower than the normal lending rate, except tiny units for which it will be three per cent as per rule 12.1 on re-financed long term industrial loans given HPFC, HPSIDC and Nationalised Banks. The Government shall provide interest subsidy directly to the State Financial Institutions and Banks concerned.

18.2 Special category entrepreneurs setting up Priority industrial units would not be entitled to additional benefits given in rule 16. In other words the Priority industries package will apply equally to all categories of entrepreneurs.

Note.—Electronics units set up before 31/03/90 had been exempted from the payment of GST/CST. Those units set up between 31/03/90 and the appointed day, will also be eligible to avail the incentive mentioned in Rule 18.1 (b).

19. Scheme for Sick Units :

- (a) The units identified for rehabilitation may be given the facility of deferred payment of past sales tax dues as on the day of the nursing programme.
- (b) The Director may carry out or get carried out from suitable consultancy organisation (s) diagnostic and rehabilitation studies of the identified sick units, with a view to chalking

out a rehabilitation programme for such units on their request. Provided that expenditure on such studies shall be restricted upto a maximum of Rs. 5000/- per unit .

- (c) Department of Industries would reimburse interest rebate of 3% on loan element of the revival proposal to be administered through Financial Institutions for rehabilitation of selected units during the nursing period specified in the rehabilitation plan. Such reimbursement would be made to the financial institution against actual rebate given to identified units so as to bring the effective interest rate 3% below the normal interest rate against a declaration that penal interest has been charged from the unit in question during the period for which the claim is made.
- (d) The units selected for rehabilitation would be taken on parallel rate contract for their item of manufacture under the State Purchase Programme without participation in tenders for a period of three years on recommendation by Director of Industries.
- (e) The unit selected for rehabilitation may be given or recommended for out of turn allocation of raw materials, upto 25% in excess of their normal allocation.
- (f) Sick Industrial units as defined above will be eligible for a concessional sales tax of 1/2 per cent on sale of their finished goods for the period of rehabilitation, as decided at the time of devising the programme of rehabilitation, but not exceeding a period of 3 years in any case, from the date of administration of the rehabilitation package whichever is earlier.

20. Incentives for Promotion of Exports :

20.1 Export oriented Units (EOU's) shall be entitled to the following incentives, which will be over and above the incentives/facilities, admissible to industrial units in the State as mentioned elsewhere under these rules :—

20.1 (a) Assistance for shipment of export samples to Small Scale Unit :

The Department of Industries would reimburse costs incurred by SSI units for shipment of export samples from nearest port/container depot to the port of destination, subject to a maximum of Rs. 5,000/- per consignment of samples and a total of Rs. 20,000/- per undertaking in any single financial year. The Director of Industries would be authorised to sanction and disburse assistance under this scheme.

(b) Market development assistance :

- (i) 50% of the cost of publishing export marketing brochures and product literature incurred by industrial units subject to maximum of Rs. 5,000/- per unit per year shall be reimbursed by Director of Industries.
- (ii) 50% of the cost of participation in relevant overseas trade fairs approved by the Trade Fair Authority of India/State Government shall be reimbursed by Director of Industries to industrial unit upto a maximum of Rs. 10,000/- per unit per event. Assistance to any unit during one financial year shall not exceed Rs. 15,000/-.

20.2 Such EOUs will be exempt from peak load restrictions by HPSEB.

21. Small Scale Service Establishments :

21.1 Small scale service establishments, will be entitled to such incentives as are available under Central Government Schemes.

22. General :

22.1 In case of any dispute arising out of interpretation and implementation of above incentives, the same will be referred to the Secy. (Industries) to the Government of Himachal Pradesh, whose decision will be final and binding on all. In special cases the Government may set up a committee and refer any particular dispute to it for final decision.

ANNEXURE—I

(As referred to in clause 4 of these rules)

Category "A" Industrial Areas/Estates :

Chamba	Tissa block Salooni block Bhattiyat block Mehla block Pangi block Bharmaur block
Hamirpur	Bijhar block Nadaun block Bhoranj block
Kangra	Lambagaon block Bajjnath block Mangwal block Dehra block
Kullu	Anni block Nirmal block Banjar block
Mandi	Rewalsar block Gopalpur block Darang block Chauntra block Seraj block Karsog block Dharampur block Chahiot block
Sirmaur	Pachhad block Shillai block Sangrah block
Una	Bargana block
Shimla	Chopal block Chhohara block
Lahaul & Spiti	Keylong block Kaza block
Kinnaur	Kalpa block Nichar block Pooh block

Category "B" Industrial Areas/Estates :

Bilaspur	(i) Bilaspur Sadar block (ii) Ghurmarwin block
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Hamirpur	(i) Hamirpur block (ii) Sujanpur block
Kangra	(i) Kangra block (ii) Rait block (iii) Bhawarna block (iv) Nagrota Bagwan block (v) Paragpur block (vi) Punchrukhi block
Mandi	(i) Mandi Sadar block (ii) Sundernagar block
Shimla	(i) Rohru block (ii) Rampur block (iii) Theog block (iv) Jubbal block (v) Kumarsain block (vi) Kusumpti-Suni block
Solan	(i) Kandaghat block (ii) Kunihar block
Una	(i) Amb block (ii) Gagret block
Kullu	(i) Kullu block (ii) Naggar block
Chamba	(i) Chamba block

Category "C" Industrial Areas/Estates :

(a) District Solan	(i) Dharampur block (ii) Nalagarh block (iii) Solan block
(b) District Sirmaur	(i) Paonta Sahib block (ii) Nahan block
(c) District Una	(i) Una Block
(d) District Kangra	(i) Indora block (ii) Nurpur block

In addition, industrial units coming up in the areas notified under the cities, Urban agglomeration/Towns, notified by the State Government from time to time and falling in these blocks will covered under these respective categories of blocks and will also be eligible to avail the incentives being given under these rules.

ANNEXURE—II

PRIORITY INDUSTRIES

(As referred to in clause 18 of these rules)

1. Agriculture-Horticulture produce based industries.
2. Electronic industry including Computer software (Except item No. 40 of Annexure-III).
3. Herbal produce based industries and Aromatic industries.
4. Wool based industry (including Angora wool).
5. Sericulture.

ANNEXURE—III

[As referred to in clause 11(A) of these rules]

List of units not eligible for sales tax incentives:

1. Flour Mills.
2. Rice Mill, Pulse and Cereal Mill, Spice Mills.
3. Preparing of papad, various sweets, confectionery.
4. Producing of fire-wood and charcoal.
5. Decorating, expelling, crushing, roasting, parching, frying of oil-seeds and colouring, decolouring and scenting of oil.
6. Solvent extraction of oil from seeds and oil cakes.
7. Preparing of bread (other than by mechanised bakery).
8. Refining of slack wax.
9. Pesticides formulations.
10. Transformer oil.
11. Stainless steel wire in thicker gauges (up to 20 gauge).
12. Recovery of zinc metal from zinc ash, pross, waste, etc.
13. Re-rolling of steel including stainless steel.
14. Ammonium Nitrate from calcium-amonium nitrate (Fertilizer grade).
15. Non-Power operated acid/slurry detergent formulations.
16. Wire drawing of steel and items requiring wire rods as an essential raw material (upto 24 gauge).
17. Conduit pipes and manually welded furnitures, tables, except ERW seamless pipes.
18. Manufacture of stainless steel products : (a) domestic utensils, (b) Wiper blade made of stainless steel strips, (c) Hospital equipment, wires and furniture made of stainless steel sheets and strips.
19. Wires and Cables Aluminium.
20. All fabrications and products using tin/GP/GC sheets.
21. Bright bars.
22. Zinc Oxide.
23. Thinner and French Polish.
24. Manufacture of vanaspati ghee, refining of crude oil.
25. Cement.
26. Paraffin wax based industry.
27. Chuna Bhati.
28. Cold Storage.
29. Manufacture of ice-cream, ice-candy and ice fruits.
30. Printing Press.
31. Rice Shellers.
32. Cotton Ginning.

33. Heat treatment and electroplating.
34. Ministeel Plants and induction furnaces manufacturing steel alloy ingots billets, except induction furnaces engaged in the manufacture of steel/alloy steel castings.
35. Blending, polishing & grinding units.
36. Breweries, Distilleries, non fruit based wineries and Bottling Plants (both for Country Liquor and Indian Made, Foreign Liquor) which are subject to licencing.
37. Mining & quarrying industry.
38. Stone crushers.
39. Jobbing units except textile-dyeing, Finishing and Printing Industry.
40. Electronic Asembly units.

ANNEXURE—IV

[As referred to in clause 11(6) of these rules]

1. Cement.
2. Steel Ingots.
3. Rerolled Steel sections including wire rods.
4. Steel wires coated & uncoated, wire ropes all categories.
5. AAC/AC/SR conductors.
6. Copper and Aluminium wire rods, Cables & Conductors.
7. Agro-Horticulture based items.
8. Electronics components.
9. Woolen, Cotton, silk & Synthetic Yarn and blends of all categories.
10. Packaging Industry.
11. Watches & Watch components.
12. Plastic products sheets, pipes, films and mouldings.
13. Ferrous castings Forgings & Feero Alloys.
14. Glass.
15. Ayurvedic medicines.
16. Steel pipes (black & galvanised).
17. Red mud PVC roofing sheets.
18. Rubber products for automobile tubes.
19. Tractor parts and Automobile Ancillaries.

ANNEXURE—V

[As referred to in clause 18 of these rules]

Type of Industry

Industrial areas falling in

1. Agro-Horticulture based Industries :

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| (i) Apple Stone fruit & other temperate fruit based industry | Kullu, Shimla, Kinnaur, Lahaul & Spiti, Mandi, Chamba & Sirmaur districts. |
| (ii) Citrus fruit, mango based industries | Kangra, Una, Sirmour, Solan, Hamirpur, Bilaspur and Mandi districts. |
| (iii) Potato based industries | Lahaul & Spiti, Kinnaur, Shimla, Kullu, Mandi, Solan and Kangra districts. |
| (iv) Ginger based industries | Sirmaur, Bilaspur and Solan districts. |
| (v) Maize based industries | Shimla, Mandi, Kullu, Bilaspur, Hamirpur, Kangra & Chamba districts. |

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|---|--|
| 2. Electronics industries including Computer software | Specified Electronics Complexes namely, Chambaghat, Shoghi, Jubbarhatti, Nagri and any other such dedicated Electronics Complexes to be set up in the State. |
| 3. Herbal produce based industries and aromatic industries. | Entire State |
| 4. Wool based industries including Angora wool. | Entire State |
| 5. Sericulture | Entire State |